

Union Gas 2008 Deferral Account Disposition

November 5, 2009

Union Gas has received Ontario Energy Board (OEB) approval to dispose of 2008 deferral account balances. This is part of the annual deferral account process. C1, M12, M13, and M16 transportation Shippers will see a one-time adjustment on your October invoice (received in November) relating to the following accounts:

2008 Federal and Provincial Taxes: This one-time adjustment applies to C1, M12, M13 and M16 transportation Shippers. The full benefits, i.e. 100% of 2008 tax changes, were included in setting 2008 rates. Subsequently, the OEB determined that only 50% of the impacts of tax reductions should have been used to set 2008 rates. As a result, Union Gas has a balance to collect in our 2008 Federal and Provincial Tax Changes Deferral Account. For M12 and C1 transportation Shippers, the adjustment is based on contracted quantities. For M13 and M16 Shippers, the adjustment is based on volumes flowed.

Intra-period WACOG Adjustment: This adjustment applies only to M13 and M16 Shippers who elected the Union-supplied fuel option. This adjustment results from the difference between the actual WACOG as approved by the OEB quarterly during 2008 and the annual WACOG approved for recovery in 2008 rates related to compressor fuel and unaccounted for gas. This adjustment is based on volumes flowed.

Please contact your Account Manager for additional details.